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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )  
)  
Implementation of the Subscriber Carrier )  
Selection Changes Provisions of the )  
Telecommunications Act of 1996 )  
)  
Policies and Rules Concerning )  
Unauthorized Changes of Consumers )  
Long Distance Carriers )

CC Docket No. 94-129

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REPLY

BellSouth Telecommunications, Inc. ("BellSouth") herewith files these reply comments to the Commission's Further Notice of Proposed Rulemaking, released December 23, 1998, in the above-captioned proceeding.<sup>1</sup> Specifically, BellSouth is filing in response to the proposal of Lockheed Martin ("Lockheed") advocating the selection of a third party administrator for preferred interexchange carrier ("PIC") changes and freeze requests.<sup>2</sup> For the reasons stated below, the Commission should reject Lockheed's proposal.

DISCUSSION

Lockheed has proposed that all PIC changes and freeze orders be processed by a third party administrator. This suggestion is ill advised. BellSouth has developed a workable system to address PIC change and freeze orders. Moreover, the record in the instant proceeding is devoid of any evidence that entrusting this function to BellSouth and other local exchange carriers ("LECs") has contributed in any fashion to the incidence of slamming.

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<sup>1</sup> *Second Report and Order and Further Notice of Proposed Rulemaking*, CC Docket No. 94-129, FCC 98-334, released December 23, 1998 (hereinafter "FNPRM").

<sup>2</sup> Lockheed's proposal was attached to AT&T's and MCI's March 18, 1999 comments in this proceeding.

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The PIC change process is highly mechanized. BellSouth has expended considerable resources in developing the customer account record exchange ("CARE") system to process change orders in batch mode in response to interexchange carrier ("IXC") business needs. Over the past several years, BellSouth has invested approximately \$8 million to develop the Electronic Communications-PIC ("EC-PIC") system that provides IXC customers with the ability to process PIC change orders on a real time basis.

The Lockheed proposal is apparently motivated by IXC dissatisfaction with the methods employed by some LECs to process PIC change and freeze orders. As discussed in the proposal, a centralized administrator could offer a useful translation interface, alleviating many of the problems created by lack of uniformity among LECs. However, the use of such a third party administrator should be left to the discretion of individual carriers. There is no justification for imposing on the entire LEC industry a complex and costly arrangement to address problems which occur sporadically if at all.<sup>3</sup>

With reference to PIC freezes, IXCs have complained of the additional expense and time needed to process change orders for lines subject to a freeze. While regrettable, this circumstance does not justify the imposition of a third party administrator on the industry. Further, BellSouth makes available to IXCs lists of customers whose lines are frozen for interLATA and/or intraLATA toll calling. This information could be used by IXCs during their telemarketing efforts to reduce the incidence of change order rejects due to freezes. The PIC freeze is a mechanism which responds to the desire of some customers to exercise greater control over change activity affecting their service. Under no circumstances should those customers be

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<sup>3</sup> The Commission has already recognized that "the ability of an executing carrier to act anticompetitively by delaying execution of carrier changes is limited by several statutory provisions in the Act." FNPRM at ¶ 103.

removed from the process of implementing and/or removing a freeze.

BellSouth believes that the Commission's new rules will over time reduce the incidence of slamming and correspondingly the motivation of some customers to request a PIC freeze. In the interim, BellSouth and other LECs should not be precluded from offering this service as presently constituted to those customers who desire it.<sup>4</sup>

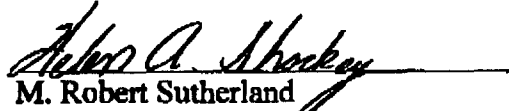
### CONCLUSION

The election to use a third party administrator should be a matter of private contract between individual IXC's and LECs. Lockheed can offer no justification for imposing this alternative on the industry as a whole; in particular given the absence of any systemic problem with LEC processing of PIC change and freeze orders.

Respectfully submitted,

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Date: May 3, 1999

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<sup>4</sup> For a freeze to achieve maximum utility it must be effective against the soft slam; hence the proposal, which BellSouth supports, for each carrier to be designated by a unique carrier identification code ("CIC").

**CERTIFICATE OF SERVICE**

I do hereby certify that I have this 3<sup>rd</sup> day of May 1999 served the following parties to this action with a copy of the foregoing REPLY by hand delivery or by placing a true and correct copy of the same in the United States Mail, postage prepaid, addressed to the parties listed on the attached service list.

  
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